

Message Text

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TO USDEL SECRETARY PRIORITY

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E.O. 11652:N/A
TAGS:SOPN (KISSINGER, HENRY A.)
SUBJ: TRAVELING PRESS REPORTAGE, EVENING, MAY 27, TUESDAY

FOR AMBASSADOR ANDERSON FROM FUNSETH, S/PRS
NO. 5

1. NO STORY FROM ABRAMSON, LATIMES.
2. AFTERNOON WIRES FROM PARIS:
UPI(GROWALD) LEADS WITH HAK APPEALING TO OIL-PRODUCING
AND DEVELOPING NATIONS TO COOPERATE WITH INDUSTRIAL NATIONS
ON WORLD ENERGY CRISIS AND AVOID ECONOMIC WARFARE, AT
PRESS CONFERENCE AT EMBASSY. HAK SAID PROPOSAL FOR SETTING
UP COMMISSIONS TO STUDY RAW MATERIALS & COMMODITIES
QUESTIONS, AS WELL AS DEVELOPMENT OF POORER NATIONS WAS
NOT DESIGNED TO JUST FOB OFF OIL PRODUCERS. BUT HE MADE
IT CLEAR HE DIDN'T WANT COMMISSIONS TO GET IN WAY OF OIL
CRISIS TALKS BETWEEN PRODUCERS & CONSUMERS.

AP(SCHWEID) LEADS "HAK VEERED FROM PREVIOUS U.S. POLICY
BY GOING ALONG WITH DEVELOPING WORLD'S INSISTENCE THAT RAW
MATERIALS BESIDES OIL BE INCLUDED IN PRODUCER-CONSUMER
CONFERENCE." ALTHOUGH HAK MODIFIED U.S. POSITION, HE
MAINTAINED RELATIVELY HARD-LINE ON OIL QUESTIONS, STRESSING
U.S. OPPOSITION TO RAW MATERIAL PRICE-FIXING SCHEMESOR
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INDEXING OIL PRICES TO CORRELATE THEM TO A GROUP OF
INDUSTRIAL PRODUCTS. HAK SAID PREPCON COULD BE RESUMED
IN A MONTH. EUROPEAN DIPLOMAT SAID THIS COULD BE

OPTIMISTIC ASSUMPTION BECAUSE NATIONS LIKE ALGERIA MIGHT FEEL HAK WAS ONLY PAYING LIP SERVICE TO THEIR DEMANDS. THE DIPLOMAT SAID THE REFERENCE IN HAK'S PROPOSAL TO NO PARTICULAR DEADLINE FOR CONCLUSION OF COMMISSIONS' WORK COULD BE INTERPRETED AS A DIPLOMATIC MOVE TO SIDE-TRACK THE ISSUES.

REUTERS - NO STORY FROM HARRIS.

ABC EVENING NEWS:

SMITH: SECRETARY OF STATE KISSINGER WHO WILL BE ATTENDING THE NATO SUMMIT IN BRUSSELS WITH PRES FORD WAS IN PARIS TODAY WORKING ON ANOTHER MATTER -- A FRESH EFFORT TO GET THE WORLD'S OIL-PRODUCING NATIONS AND OIL-CONSUMING NATIONS TO COOPERATE. KISSINGER'S DAY BEGAN HOWEVER ON A LIGHTER NOTE.

KOPPEL: FRENCH PRES GISCARD D'ESTANG MARKED THE OCCASION

OF HAK'S 52ND BIRTHDAY BY INVITING HIM TO THE ELYSEE PALACE FOR BREAKFAST, PRESENTING HIM WITH AN 8-VOLUME SET ON METTERNICH AND A BIRTHDAY CAKE THAT MATERIALIZED UNDER A BRUTALLY FRANK FOREST OF CANDLES. AS IF THAT WEREN'T BAD ENOUGH, A CROWD OF FRENCH NEWSMEN AND PHOTOGRAPHERS ADDED THEIR GOOD WISHES IN SONG (SINGING "HAPPY BIRTHDAY TO YOU"). KISSINGER'S PRIMARY PURPOSE IN COMING HERE TO PARIS THOUGH IS TO TRY TO GET A DIALOGUE STARTED BETWEEN OIL-CONSUMERS AND OIL-PRODUCERS. AN EARLIER EFFORT LAST MONTH BROKE DOWN. THE U.S. HAD WANTED THE DISCUSSION LIMITED TO OIL PRICES AND SUPPLY, BUT OTHER MEMBERS OF THE IEA INSISTED THAT ANY

DISCUSSION OF OIL MUST BE LINKED TO A BROADER DISCUSSION OF OTHER RAW MATERIALS. TODAY, SPEAKING BEFORE A CLOSED SESSION OF THE ENERGY AGENCY, KISSINGER PROPOSED THE CLASSIC AMERICAN COMPROMISE -- COMMISSIONS, AS MANY OF THEM AS MAY BE NECESSARY. IT WAS A POINT THAT KISSINGER UNCLASSIFIED

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MADE AGAIN REPEATEDLY AT A NEWS CONFERENCE THIS EVENING, ADDING ONLY THAT IT WAS AMERICA'S CONCERN FOR THE WISHES OF THE UNDERDEVELOPED COUNTRIES OF THE WORLD THAT CAUSED THE U.S. TO BACK OFF FROM ITS HARDER STANCE OF LAST MONTH. WETHER OR NOT THAT IS TOTALLY ACCURATE, A CONSUMER-PRODUCER DIALOGUE ON OIL IS NOW ONCE AGAIN A LIKELY PROPOSITION.

NGC NIGHTLY NEWS

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CHANCELLOR: SECRETARY OF STATE KISSINGER TODAY ANNOUNCED A CHANGE

IN U.S. POLICY ON THE QUESTION OF OIL AND RAW MATERIALS. AT THE IEA MEETING IN PARIS, KISSINGER SAID THAT THE U.S.

NOW IS WILLING TO TAKE UP THE MATTER OF PRICES FOR RAW MATERIALS AS WELL AS OIL AT ANY CONFERENCE BETWEEN THE OIL-PRODUCING AND OIL-USING NATIONS. THAT REFLECTS THE RECENT AND SIGNIFICANT CHANGE IN AMERICAN POLICY. LAST MARCH A PREPARATORY MEETING BROKE UP BECAUSE OF U.S. INSISTENCE ON TALKING ABOUT ENERGY ALONE. THE SECRETARY OF STATE ALSO CELEBRATED HIS 52ND BIRTHDAY TODAY IN PARIS.

VALERIANI: KISSINGER WALKED THE SHORT DISTANCE FROM THE AMERICAN AMBASSADOR'S HOUSE TO THE ELYSEE PALACE FOR A BREAKFAST MEETING WITH ONE OF HIS FORMER HARVARD STUDENTS, FRENCH PRES GISCARD D'ESTANG AND A SURPRISE. BREAKFAST INCLUDED A BIRTHDAY CAKE WITH 52 CANDLES, WHICH KISSINGER BLEW OUT. USUALLY WELL-INFORMED SOURCES WOULD NOT SAY WHETHER OR NOT HE MADE A WISH. WHEN KISSINGER CAME OUT, WAITING NEWSMEN, MOST OF THEM FRENCH, SERENADED HIM IN ENGLISH (SINGING "HAPPY BIRTHDAY, DEAR HENRY"). IN ADDITION TO EATING CAKE, GISCARD AND KISSINGER DISCUSSED THE PROSPECTS FOR A SUMMIT MEETING OF COMMUNIST AND WESTERN ALLIANCE LEADERS TO WIND UP THE EUROPEAN SECURITY CONFERENCE THIS SUMMER AND THEY ALSO TALKED ABOUT THE ME AND ENERGY PROBLEMS. ENERGY WAS ONE OF THE MAIN REASONS KISSINGER CAME TO PARIS. HE PROPOSED TO FELLOW OIL CONSUMERS THAT THEIR NEGOTIATIONS WITH THE MAJOR OIL PRODUCERS BE RESUMED BY SETTING UP SPECIAL STANDING COMMISSIONS TO DISCUSS LONG-TERM PRICE AND SUPPLY ARRANGEMENTS FOR OTHER RAW MATERIALS BESIDES OIL, UNCLASSIFIED

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AS THE PRODUCERS HAVE INSISTED. THIS WAS A SHIFT IN U.S. POLICY AWAY FROM THE CONCEPT OF COMPLETELY FREE INTERNATIONAL MARKETS. WHILE IT REFLECTED THE FACT THAT THE OIL PRODUCERS STILL HAVE THE UPPER HAND, IT MAY ALSO SERVE TO HOLD DOWN THE PRICES OF OTHER ESSENTIAL COMMODITIES AS WESTERN ECONOMIES BEGIN TO REVIVE AND THE DEMAND FOR RAW MATERIALS GOES UP AGAIN.

CBS EVENING NEWS

CRONKITE: ON THE GLOBAL ENERGY FRONT THE ATTEMPT TO BRING THE OIL-PRODUCING AND CONSUMING NATIONS TOGETHER WAS STYMIED IN PARIS SIX WEEKS AGO. THE U.S. INSISTED ON LIMITING ALL DISCUSSION TO ENERGY, RULING OUT THE DEMAND BY UNDER-DEVELOPED NATIONS THAT OTHER RAW MATERIALS LIKE FOOD AND MINERALS BE INCLUDED. BUT IN PARIS TODAY SECRETARY OF STATE KISSINGER ANNOUNCED A SIGNIFICANT SHIFT IN U.S. POLICY AND SAID HE NOW IS

PREPARED TO INCLUDE DISCUSSIONS OF RAW MATERIALS IN THE CONSUMER-PRODUCER TALKS.

KALB: WITH A TOUCH OF FRENCH SAVOIR-FAIRE, PRES GISCARD

CELEBRATED THE SHIFT IN AMERICAN POLICY BY SURPRISING THE SECRETARY WITH A BIRTHDAY CAKE, WITH 52 RED, WHITE AND BLUE CANDLES SITTING IN A FIELD OF CHOCOLATE. IT TOOK KISSINGER THREE PUFFS TO BLOW OUT THE CANDLES AND A LITTLE MORE THAN 2 HOURS TO OUTLINE THE SHIFT. AS THE SECRETARY LATER TOLD THIS FIRST MINISTERIAL MEETING OF THE 18-NATION IEA, THE U.S. IS NOW PREPARED TO DISCUSS NOT ONLY ENERGY WITH THE OIL PRODUCERS BUT ALSO A WIDE RANGE OF OTHER ISSUES, SUCH AS THE PRICING OF FOOD AND OTHER COMMODITIES. HIS IDEA IS TYPICALLY AMERICAN -- SET UP DIFFERENT COMMITTEES TO TACKLE DIFFERENT PROBLEMS, HOPEFULLY WITHIN THE NEXT FEW MONTHS. BUT THE SECRETARY MADE IT CLEAR HE STILL OPPOSES THE IRANIAN IDEA OF INDEXING, IN OTHER WORDS LINKING OIL PRICES TO THE PRICE OF OTHER CRUCIAL COMMODITIES. AND HE EXPLAINED HIS THINKING AT A NEWS CONFERENCE TONIGHT.

KISSINGER: WHAT THE U.S. WANTS TO DO IS TO DISCUSS -- IS
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TO SHOW ITS WILLINGNESS, AS I POINTED OUT, TO DISCUSS ISSUES THAT ARE OF GREAT CONCERN TO A MAJOR PART OF MANKIND. WE WILL NOT NECESSARILY ACCEPT THEIR VIEWS ON THE SPECIFIC REMEDIES.

KALB: KISSINGER TRIED HEADING OFF ANOTHER INCREASE IN OIL PRICES NOW WIDELY EXPECTED THIS FALL, CALLING SUCH AN INCREASE ECONOMICALLY UNJUSTIFIED. BUT THE SECRETARY KNOWS THAT THE OIL PRODUCERS WILL NOT BE PERSUADED BY HIS RHETORIC, BUT RATHER BY THE COMMON ACTION OF THE OIL CONSUMERS, AND THAT IS BY NO MEANS ASSURED.

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